



3018 (02-09-04)

ANNUAL REPORT

OF

Name: ROME WATER UTILITY, LTD

Principal Office: 298 LEISURE LANE
NEKOOSA, WI 54457

For the Year Ended: DECEMBER 31, 1997

**WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

SIGNATURE PAGE

I JOHN GRANUM of _____
(Person responsible for accounts)

ROME WATER UTILITY, LTD _____, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

	03/30/1998
(Signature of person responsible for accounts)	(Date)

PRESIDENT _____
(Title)

TABLE OF CONTENTS

Schedule Name	Page
General Rules for Reporting	i
Signature Page	ii
Table of Contents	iii
Identification and Ownership	iv
Officers and Directors	v
Common Stockholders	vi
 FINANCIAL SECTION	
Income Statement	F-01
Income Statement Account Details	F-02
Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)	F-03
Revenues Subject to Wisconsin Remainder Assessment	F-04
Salaries and Wages	F-05
Balance Sheet	F-06
Net Utility Plant	F-07
Accumulated Provision for Depreciation and Amortization of Utility Plant	F-08
Net Nonutility Property (Accts. 121 & 122)	F-09
Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)	F-10
Materials and Supplies	F-11
Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)	F-12
Capital Stock (Accts. 201 and 204)	F-13
Bonds (Acct. 221)	F-14
Notes Payable & Miscellaneous Long-Term Debt	F-15
Taxes Accrued (Acct. 236)	F-16
Interest Accrued (Acct. 237)	F-17
Contributions in Aid of Construction (Account 271)	F-18
Balance Sheet End-of-Year Account Balances	F-19
Return on Rate Base Computation	F-20
Return on Common Equity Computation	F-21
Important Changes During the Year	F-22
Financial Section Footnotes	F-23
 WATER OPERATING SECTION	
Water Operating Revenues & Expenses	W-01
Water Operating Revenues - Sales of Water	W-02
Sales for Resale (Acct. 466)	W-03
Other Operating Revenues (Water)	W-04
Water Operation & Maintenance Expenses	W-05
Taxes (Accts. 408.1 and 409.1)	W-06
Water Utility Plant in Service	W-07
Source of Supply, Pumping and Purchased Water Statistics	W-09
Sources of Water Supply - Ground Waters	W-10
Sources of Water Supply - Surface Waters	W-11
Pumping & Power Equipment	W-12
Reservoirs, Standpipes & Water Treatment	W-13
Water Mains	W-14
Water Services	W-15
Meters	W-16
Hydrants and Distribution System Valves	W-17
Water Operating Section Footnotes	W-18

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: ROME WATER UTILITY, LTD

Utility Address: 298 LEISURE LANE
NEKOOSA, WI 54457

When was utility organized? 3/17/1970

Report any change in name:

Effective Date:

Utility Web Site:

Officer in charge of correspondence concerning this report:

Name: JOHN GRANUM

Title: PRESIDENT

Office Address:

943 KINGSWAY
NEKOOSA, WI 54457

Telephone: (715) 325 - 2600

Fax Number:

E-mail Address:

Individual or firm, if other than utility employee, preparing this report:

Name: WIPFLI ULLRICH BERTELSON

Title:

Office Address: WIPFLI ULLRICH BERTELSON
400 DALY AVENUE, SUIT #200
P.O. BOX 757
WISCONSIN RAPIDS, WI 54495

Telephone: (715) 423 - 3550

Fax Number: (715) 423 - 3559

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? NO

Date of most recent audit report:

Period covered by most recent audit:

IDENTIFICATION AND OWNERSHIP

OFFICERS AND DIRECTORS

Name/Title and Business Address	Length Of	Term Expires	Meetings Attended
Officer's Name/Title JOHN GRANUM/PRESIDENT Business Address (1) 270 DERBY CT. Business Address (2) Business Address (3) City/State/Zip NEKOOSA, WI 54457	1	03/31/1998	1
Officer's Name/Title JOHN WARNKE/SECRETARY Business Address (1) 908 ESSEX CT. Business Address (2) Business Address (3) City/State/Zip NEKOOSA, WI 54457	1	03/31/1998	2
Officer's Name/Title KENNETH KLEIN/VICE-PRESIDENT Business Address (1) 944 ESSEX CT. Business Address (2) Business Address (3) City/State/Zip NEKOOSA, WI 54457	1	03/31/1998	3
Officer's Name/Title ROY WESENBERG/LIASON OFFICER Business Address (1) 874 RICHMOND WAY Business Address (2) Business Address (3) City/State/Zip NEKOOSA, WI 54457	1	03/31/1998	4
Officer's Name/Title TOM KRENZ/TREASURER Business Address (1) 287 PENHURST WAY Business Address (2) Business Address (3) City/State/Zip NEKOOSA, WI 54457	1	03/31/1998	5

COMMON STOCKHOLDERS

From the stockholder list nearest the end of the year report the greatest of: 1) the ten largest shareholders of voting securities or 2) all shareholders owning 5% or more of voting securities. List names, addresses and shareholdings. If any stock is held by a nominee, give known particulars as to the beneficial owner (see Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Date of stockholders' list nearest end of year: 12/31/1997

	Common	Preferred	Total
Number of stockholders on above date:	1		1
Number of shareholders in Wisconsin:	1		1
Percent of outstanding stock owned by Wisconsin Stockholders:	100.00%		

Stockholders:

Name: LAKE CAMELOT PROPERTY OWNERS ASSOCIATION
Address: 298 LEISURE LANE
NEKOOSA, WI 54457

Number of Shares Held: 2,000
Beneficial Owner: NONE

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	119,556	116,541	1
Operating Expenses:			
Operation and Maintenance Expense (401-402)	62,094	75,063	2
Depreciation Expense (403)	23,596	23,291	3
Amortization Expense (404)	0		4
Taxes Other than Income Taxes (408.1)	5,343	6,313	5
Income Taxes (409.1)	6,154	3,043	6
Investment Tax Credit, Deferred to Future Periods (412.1)	0		7
Investment Tax Credit, Restored to Operating Income (412.2)	0		8
Total Operating Expenses	97,187	107,710	
Net Operating Income	22,369	8,831	
Income from Utility Plant Leased to Others (413)	0		9
Gains (Losses) from Disposition of Utility Property (414)	0		10
Utility Operating Income	22,369	8,831	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0		11
Income from Nonutility Operations (417)	(3,062)	(5,589)	12
Nonoperating Rental Income (418)	0		13
Interest and Dividend Income (419)	1,378	1,392	14
Allowance for Funds used during Construction (420)			15
Miscellaneous Nonoperating Income (421)	0		16
Gains (Losses) from Disposition of Property (422)	0		17
Total Other Income	(1,684)	(4,197)	
Total Income	20,685	4,634	
OTHER INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0		18
Miscellaneous Income Deductions (426)	0		19
Total Other Income Deductions	0	0	
TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS			
Taxes Other than Income Taxes (408.2)			20
Income Taxes (409.2)			21
Investment Tax Credit, Nonutility Operations, Net (412.4)			22
Total Taxes Applicable to Other Income and Deductions	0	0	
Income Before Interest Charges and Extraordinary Item:	20,685	4,634	
INTEREST CHARGES			
Interest on Long-term Debt (427)	12,985	13,552	23
Amortization of Debt Discount and Expense (428)			24
Amortization of premium on Debt-Cr. (429)			25
Interest on Debt to Associated Companies (430)	0		26
Other Interest Expense (431)	0		27
Total Interest Charges	12,985	13,552	
Income Before Extraordinary Items	7,700	(8,918)	

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
EXTRAORDINARY ITEMS			
Extraordinary Income (433)			28
Extraordinary Deductions (434)	0		29
Income Taxes, Extraordinary Items (409.3)			30
Total Extraordinary Items	0	0	
Net Income	7,700	(8,918)	
RETAINED EARNINGS			
Unappropriated Retained Earnings (at beginning of period)	(96,551)	(87,633)	31
Balance transferred from Income (435)	7,700	(8,918)	32
Appropriations of Retained Earnings (436)	0		33
Dividends Declared-Preferred Stock (437)			34
Dividends Declared-Common Stock (438)			35
Adjustments to Retained Earnings (439)	0		36
Total Retained Earnings	(88,851)	(96,551)	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Income from Utility Plant Leased to Others (413):		
NONE		1
Total (Acct. 413):	0	
Gains (Losses) from Disposition of Utility Property (414):		
NONE		2
Total (Acct. 414):	0	
Income from Nonutility Operations (417):		
NON-UTILITY DEPRECIATION	(3,062)	3
Total (Acct. 417):	(3,062)	
Nonoperating Rental Income (418):		
NONE		4
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
BANK INTEREST	1,378	5
Total (Acct. 419):	1,378	
Miscellaneous Nonoperating Income (421):		
NONE		6
Total (Acct. 421):	0	
Gains (Losses) from Disposition of Property (422):		
NONE		7
Total (Acct. 422):	0	
Miscellaneous Amortization (425):		
NONE		8
Total (Acct. 425):	0	
Miscellaneous Income Deductions (426):		
NONE		9
Total (Acct. 426):	0	
Extraordinary Deductions (434):		
NONE		10
Total (Acct. 434):	0	
Balance transferred from Income (435):		
NONE		11
Total (Acct. 435)--Debit:	0	
Appropriations of Retained Earnings (436):		
Detail appropriations to (from) account 215		12
Total (Acct. 436)--Debit:	0	
Adjustments to Retained Earnings (439):		
NONE		13
Total (Acct. 439):	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses from Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	119,556	0	0	0	119,556	1
Less: interdepartmental sales	0		0		0	2
Less: interdepartmental rents					0	3
Less: uncollectibles directly expensed as reported in water acct. 904 -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	4
Other Increases or (Decreases)						
to Operating Revenues - Specify:						
NONE					0	5
Revenues subject to Wisconsin Remainder Assessment	119,556	0	0	0	119,556	

SALARIES AND WAGES

Show total compensation paid each officer during the year, including bonuses and other allowances.
Furnish particulars as to bonuses and allowances. Show final distribution of payroll including amounts from clearing accounts.

OFFICERS' COMPENSATION

Name (a)	Official Title (b)	Total Comp (c)
---------------------	-------------------------------	---------------------------

NONE

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,056,130	1,041,743	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	385,749	362,153	2
Net Utility Plant	670,381	679,590	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	17,439	17,439	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	7,340	4,278	4
Net Nonutility Property	10,099	13,161	
Other Investments (124)	0		5
Special Funds (125)	0		6
Total Other Property and Investments	10,099	13,161	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	40	40	7
Temporary Cash Investments (132)	54,771	29,629	8
Notes Receivable (141)	0		9
Customer Accounts Receivable (142)	25,489	24,866	10
Other Accounts Receivable (143)	0		11
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	12
Materials and Supplies (150)	1,161	1,161	13
Prepayments (166)	2,483	1,269	14
Other Current and Accrued Assets (170)			15
Total Current and Accrued Assets	83,944	56,965	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0		16
Extraordinary Property Losses (182)	0		17
Other Deferred Debits (183)	0		18
Total Deferred Debits	0	0	
Total Assets and Other Debits	764,424	749,716	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Common Capital Stock (201)	15,000	15,000	19
Preferred Capital Stock (204)			20
Other Paid-in Capital (207)			21
Installments Received on Capital Stock (212)			22
Capital Stock Expense (214)			23
Appropriated Retained Earnings (215)			24
Unappropriated Retained Earnings (216)	(88,851)	(96,551)	25
Reacquired Capital Stock (217)			26
Non-corporate Proprietorship (218)			27
Total Proprietary Capital	(73,851)	(81,551)	
LONG-TERM DEBT			
Bonds (221)			28
Advances from Associated Companies (223)	0		29
Other Long-term Debt (224)	152,173	158,739	30
Total Long-Term Debt	152,173	158,739	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0		31
Accounts Payable (232)			32
Customer Deposits (235)			33
Taxes Accrued (236)	9,198	8,356	34
Interest Accrued (237)	1,011	1,019	35
Other Current and Accrued Liabilities (238)	7,828	7,605	36
Total Current and Accrued Liabilities	18,037	16,980	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0		37
Customer Advances for Construction (252)			38
Other Deferred Credits (253)	0		39
Accumulated Deferred Investment Tax Credits (255)	0		40
Total Deferred Credits	0	0	
OPERATING RESERVES			
Property Insurance Reserve (261)			41
Injuries and Damages Reserve (262)			42
Pensions and Benefits Reserve (263)			43
Miscellaneous Operating Reserves (265)			44
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	668,065	655,548	45
Total Liabilities and Other Credits	764,424	749,716	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	1,050,130	0	0	0	1
Other Tangible Property (390)					2
Utility Plant Purchased or Sold (391)					3
Utility Plant in Process of Reclassification (392)					4
Utility Plant Leased to Others (393)					5
Property Held for Future Use (394)	6,000				6
Construction Work in Progress (395)					7
Utility Plant Acquisition Adjustments (396)					8
Other Utility Plant Adjustments (397)					9
Total Utility Plant	1,056,130	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	385,749	0	0	0	10
Total Accumulated Provision	385,749	0	0	0	
Net Utility Plant	670,381	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	362,153				362,153	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	23,596				23,596	4
						5
						6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	23,596	0	0	0	23,596	13
Debits during year						14
Book cost of plant retired					0	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	0	0	0	0	0	19
Balance End of Year	385,749	0	0	0	385,749	20
						21
						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
CABINET	183			183	1
MACHINERY AND EQUIPMENT	6,685			6,685	2
'96 FORD 1/2 TON 4X4	10,571			10,571	3
Total Nonutility Property (121)	17,439	0	0	17,439	
Less accum. prov. depr. & amort. (122)	4,278	3,062		7,340	4
 Net Nonutility Property	 13,161	 (3,062)	 0	 10,099	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel					0	1
Other					0	2
Total Electric Utility					0	0

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	1,161	1,161	2
Sewer utility			3
Gas utility			4
Merchandise			5
Other materials & supplies			6
Total Materials and Supplies	1,161	1,161	

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				1
Total			<u>0</u>	
Unamortized premium on debt (251)				2
Total			<u>0</u>	

CAPITAL STOCK (ACCTS. 201 AND 204)

Particulars (a)	Common Stock (201) (b)	Preferred Stock (204) (c)	
Par or stated value per share	15,000.00		1
Total par value provided in articles of incorporation			2
Total par value issued			3
Dividends declared per share for year			4

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
MORTGAGE PAYABLE - BANK	12/04/1992	12/04/2010	9.00%	152,173	1
Total for Account 224				152,173	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	8,356	1
Accruals:		
Charged water department expense	11,495	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	11,495	
Taxes paid during year:		
County, state and local taxes	5,356	6
Social Security taxes	2,080	7
PSC Remainder Assessment	161	8
Other (explain):		
PAYROLL TAXES	127	9
FEDERAL INCOME TAXES	2,929	10
Total payments and other debits	10,653	
Balance end of year	9,198	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE				0	1
Subtotal	0	0	0	0	
Advances from Associated Companies (223)					
NONE				0	2
Subtotal	0	0	0	0	
Other Long-term Debt (224)					
BANK MORTGAGE	1,019	12,985	12,993	1,011	3
Subtotal	1,019	12,985	12,993	1,011	
Notes Payable (231)					
NONE				0	4
Subtotal	0	0	0	0	
Total	1,019	12,985	12,993	1,011	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	655,548					655,548	1
Add credits during year:							
For Services	12,517					12,517	2
For Mains						0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	668,065	0	0	0	0	668,065	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Other Investments (124):		
NONE		1
Total (Acct. 124):	0	
Special Funds (125):		
NONE		2
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		3
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	25,489	4
Other (specify):		
NONE		5
Total (Acct. 142):	25,489	
Other Accounts Receivable (143):		
Merchandising, jobbing and contract work		6
Other (specify):		
NONE		7
Total (Acct. 143):	0	
Prepayments (166):		
PREPAID INSURANCE	2,483	8
Total (Acct. 166):	2,483	
Extraordinary Property Losses (182):		
NONE		9
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		10
Total (Acct. 183):	0	
Other Deferred Credits (253):		
NONE		11
Total (Acct. 253):	0	
Accumulated Deferred Investment Tax Credits (255):		
NONE		12
Total (Acct. 255):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	1,045,936	0	0	0	1,045,936	1
Materials and Supplies	1,161	0	0	0	1,161	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	373,951	0	0	0	373,951	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	661,806	0	0	0	661,806	6
Other (specify):						
NONE					0	7
Average Net Rate Base	11,340	0	0	0	11,340	
Net Operating Income	22,369	0	0	0	22,369	8
Net Operating Income as a percent of						
Average Net Rate Base	197.26%	N/A	N/A	N/A	197.26%	

RETURN ON COMMON EQUITY COMPUTATION

1. Sort data on a corporate basis, not a consolidated basis.
2. The data used in calculating average common equity is based on monthly averages, if available.
3. If monthly averages are not available, use average of beginning and end of year.

Description (a)	Common Equity (b)	Common Equity Plus ITC (c)	
Average Common Equity			
Common Stock Outstanding	15,000		1
Premium on Capital Stock			2
Capital Stock Expense			3
Retained Earnings	(92,732)		4
Deferred Investment Tax Credit			5
Other (Specify):			
NONE			6
Average Common Stock Equity	(77,732)	0	
Net Income			
Add:			
Net Income	7,700		7
Other (Specify):			
NONE			8
Less:			
Preferred Dividends			9
Other (Specify):			
NONE			10
Adjusted Net Income	7,700	0	
Percent Return on Equity	-9.91%	0.00%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions, mergers, consolidation, or reorganization with other companies.

2. Details of new or significant changes in leasehold arrangements.

3. Estimated changes in revenues due to rate changes.

4. Obligations incurred or assumed, excluding commercial paper.

5. Changes in articles of incorporation or amendments to charter.

6. Docketed proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Income Statement (Page F-01)

THIS REPORT WAS PREPARED BY WIPFLI, ULLRICH BERTELSON, CERTIFIED PUBLIC ACCOUNTANTS. THE FINANCIAL INFORMATION WAS OBTAINED FROM FILES MAINTAINED FOR THE PREPARATION OF COMPILED FINANCIAL STATEMENTS. WE DID NOT AUDIT OR REVIEW THE INFORMATION INCLUDED IN THIS REPORT. NON-FINANCIAL INFORMATION WAS OBTAINED DIRECTLY FROM UTILITY PERSONNEL.

Balance Sheet (Page F-06)

Other Current and Accrued Liabilities:

Amounts due to affiliated company.

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	117,862	1
Total Sales of Water	117,862	
Other Operating Revenues		
Forfeited Discounts (470)	269	2
Other Water Revenues (474)	1,425	3
Total Other Operating Revenues	1,694	
Total Operating Revenues	119,556	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	42,311	4
General Expenses (680-690)	19,783	5
Total Operation and Maintenance Expenses	62,094	
Other Operating Expenses		
Depreciation Expense (403)	23,596	6
Amortization Expense (404)		7
Taxes Other Than Income Taxes (408.1)	5,343	8
Income taxes (409.1)	6,154	9
Investment Tax Credits, Deferred (412.1)		10
Investment Tax Credits, Restored (412.2)		11
Total Other Operating Expenses	35,093	
Total Operating Expenses	97,187	
NET OPERATING INCOME	22,369	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential	1,008	49,241	117,862	1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	1,008	49,241	117,862	
Metered Sales to General Customers (461)				
Residential				4
Commercial				5
Industrial				6
Total Metered Sales to General Customers (461)	0	0	0	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)				8
Other Sales to Public Authorities (464)				9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	1,008	49,241	117,862	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Forfeited Discounts (470):		
FORFEITED DISCOUNTS	269	1
Total Forfeited Discounts (470)	269	
Miscellaneous Service Revenues (471):		
NONE		2
Total Miscellaneous Service Revenues (471)	0	
Rents from Water Property (472):		
NONE		3
Total Rents from Water Property (472)	0	
Interdepartmental Rents (473):		
NONE		4
Total Interdepartmental Rents (473)	0	
Other Water Revenues (474):		
MISCELLANEOUS RECEIPTS	1,425	5
Total Other Water Revenues (474)	1,425	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	20,869	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	8,683	3
Chemicals (630)		4
Supplies and Expenses (640)	9,829	5
Repairs of Water Plant (650)	1,459	6
Transportation Expenses (660)	1,471	7
Total Plant Operation and Maintenance Expenses	42,311	
GENERAL EXPENSES		
Administrative and General Salaries (680)	6,300	8
Office Supplies and Expenses (681)	5,895	9
Outside Services Employed (682)	1,203	10
Insurance Expense (684)	6,110	11
Employee Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	275	14
Uncollectible Accounts (690)		15
Total General Expenses	19,783	
Total Operation and Maintenance Expenses	62,094	

TAXES (ACCTS. 408.1 AND 409.1)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Taxes other than income taxes (Acct 408.1)			
Property Tax		3,118	1
Social Security		1,937	2
Wisconsin Gross Receipts Tax			3
PSC Remainder Assessment		161	4
Other (specify): OTHER PAYROLL TAXES		127	5
Total taxes other than income taxes		5,343	
Income Taxes (Acct 409.1)			
FEDERAL AND STATE INCOME TAX		6,154	6
Total income taxes		6,154	
Total tax expense		11,497	

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	120		1
Franchises and Consents (302)			2
Total Intangible Plant	120	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	19,014		3
Structures and Improvements (311)			4
Collecting and Impounding Reservoirs (312)			5
Lake, River and Other Intakes (313)			6
Wells and Springs (314)	188,246		7
Infiltration Galleries and Tunnels (315)			8
Supply Mains (316)			9
Total Source of Supply Plant	207,260	0	
PUMPING PLANT			
Land and Land rights (320)			10
Structures and Improvements (321)	72,793		11
Boiler Plant Equipment (322)			12
Other Power Production Equipment (323)			13
Steam Pumping Equipment (324)			14
Electric Pumping Equipment (325)	138,306		15
Diesel Pumping Equipment (326)			16
Hydraulic Pumping Equipment (327)	1,911		17
Other Pumping Equipment (328)			18
Total Pumping Plant	213,010	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)			19
Structures and Improvements (331)			20
Water Treatment Equipment (332)	7,143		21
Total Water Treatment Plant	7,143	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			22
Structures and Improvements (341)			23
Distribution Reservoirs and Standpipes (342)	6,817		24
Transmission and Distribution Mains (343)	299,567		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			120	1
Franchises and Consents (302)			0	2
Total Intangible Plant	0	0	120	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			19,014	3
Structures and Improvements (311)			0	4
Collecting and Impounding Reservoirs (312)			0	5
Lake, River and Other Intakes (313)			0	6
Wells and Springs (314)			188,246	7
Infiltration Galleries and Tunnels (315)			0	8
Supply Mains (316)			0	9
Total Source of Supply Plant	0	0	207,260	
PUMPING PLANT				
Land and Land rights (320)			0	10
Structures and Improvements (321)			72,793	11
Boiler Plant Equipment (322)			0	12
Other Power Production Equipment (323)			0	13
Steam Pumping Equipment (324)			0	14
Electric Pumping Equipment (325)			138,306	15
Diesel Pumping Equipment (326)			0	16
Hydraulic Pumping Equipment (327)			1,911	17
Other Pumping Equipment (328)			0	18
Total Pumping Plant	0	0	213,010	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	19
Structures and Improvements (331)			0	20
Water Treatment Equipment (332)			7,143	21
Total Water Treatment Plant	0	0	7,143	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			0	22
Structures and Improvements (341)			0	23
Distribution Reservoirs and Standpipes (342)			6,817	24
Transmission and Distribution Mains (343)			299,567	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Fire Mains (344)			26
Services (345)	288,527	14,387	27
Meters (346)			28
Hydrants (348)	13,299		29
Other Transmission and Distribution Plant (349)			30
Total Transmission and Distribution Plant	608,210	14,387	
GENERAL PLANT			
Land and Land Rights (370)	6,000		31
Structures and Improvements (371)			32
Office Furniture and Equipment (372)			33
Transportation Equipment (379)			34
Total General Plant	6,000	0	
Total utility plant in service	1,041,743	14,387	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Fire Mains (344)			0 26
Services (345)			302,914 27
Meters (346)			0 28
Hydrants (348)			13,299 29
Other Transmission and Distribution Plant (349)			0 30
Total Transmission and Distribution Plant	0	0	622,597
GENERAL PLANT			
Land and Land Rights (370)		(6,000)	0 31
Structures and Improvements (371)			0 32
Office Furniture and Equipment (372)			0 33
Transportation Equipment (379)			0 34
Total General Plant	0	(6,000)	0
Total utility plant in service	0	(6,000)	1,050,130

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January		0	1,840	1,840	1
February		0	1,400	1,400	2
March		0	1,554	1,554	3
April		0	2,373	2,373	4
May		0	4,758	4,758	5
June		0	9,860	9,860	6
July		0	9,980	9,980	7
August		0	6,991	6,991	8
September		0	3,709	3,709	9
October		0	2,828	2,828	10
November		0	1,996	1,996	11
December		0	1,952	1,952	12
Total for year	0	0	49,241	49,241	
Less: Measured or estimated water used in main flushing and water treatment during year					13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				49,241	16
Less: Water sold				49,241	17
Losses and unaccounted for				0	18
Percent unaccounted for to the nearest whole percent (%)				0%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				526,000	21
Date of maximum: 6/12/1997					22
Cause of maximum:					23
SUPPLY AND DEMAND					
Minimum gallons pumped by all methods in any one day during reporting year				40,000	24
Date of minimum: 1/28/1997					25
Total KWH used for pumping for the year				72,168	26
If water is purchased: Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
SHALLOW	1	80	18	1,166,400	Yes	1
SHALLOW - WELL SITE #2	2	80	30	1,872,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	WELL #1	WELL #2	WELL 1	1
Location	308 PENHURST	302 SUMMERSET	308 PENHURST	2
Purpose	B	P	P	3
Destination	D	R	R	4
Pump Manufacturer	LAYNE	LAYNE	LAYNE	5
Year Installed	1985	1990	1985	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	810	1,000	810	8
Pump Motor or Standby Engine Mfr	GE	GE	GE	9
Year Installed	1985	1990	1987	10
Type	ELECTRIC	NATURAL GAS	NATURAL GAS	11
Horsepower	40	60	30	12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification number or name	WELL #1	WELL #2	WELL 1	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
				3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	R	R	4
Year constructed	1977	1990	1970	5
				6
Primary material (earthen, steel, concrete, other)	CONCRETE	STEEL	STEEL	7
				8
Elevation difference in feet (See Headnote 3.)	4	6	4	9
				10
Total capacity in gallons	30,000	10,000	10,000	11
				12
WATER TREATMENT PLANT				13
Disinfection, type of equipment (gas, liquid, powder, other)				14
				15
Points of application (wellhouse, central facilities, booster station, other)				16
				17
Filters, type (gravity, pressure, other, none)				18
				19
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)				20
				21
				22
Is a corrosion control chemical used (yes, no)?				23
				24
Is water fluoridated (yes, no)?				25

WATER MAINS

1. Report mains separately by pipe material, function and diameter.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
A	S	3.000	60,000				60,000
A	S	4.000	17,000				17,000
P	S	6.000	49,560				49,560
A	S	8.000	2,864				2,864
Total Utility			129,424	0	0	0	129,424

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	777				777		1
M	1.000	226	17			243		2
M	1.500	2				2		3
Total Utility		1,005	17	0	0	1,022	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)
--------------------------------------	----------------------------------	--------------------------------------	--	---	--------------------------------	---------------------------------------

NONE

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
	6				6	1
Total Fire Hydrants	6	0	0	0	6	
Flushing Hydrants						
	45				45	2
Total Flushing Hydrants	45	0	0	0	45	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	51
Number of distribution system valves end of year:	51
Number of distribution valves operated during year:	51

WATER OPERATING SECTION FOOTNOTES

Water Utility Plant in Service (Page W-07)

LINE 31 COLUMN F

\$6,000 AMOUNT IS FOR LAND HELD FOR RESALE WHICH WAS INCORRECTLY INCLUDED IN WATER UTILTIY PLANT IN SERVICE ON PROIR YEAR ANNUAL REPORT. SEE PAGE F-7 FOR INCLUSION AS LAND HELD FOR RESALE IN 1997.

Water Services (Page W-15)

LINE 2 COLUMN D

\$12,517 COLLECTED FROM CUSTOMER TO PAY TOWARDS THE COST OF ADDING THE WATER SERVICES. AMOUNT IS INCLUDED IN CONTRIBUTIONS IN AID OF CONSTRUCTION.
